

GSA/REAL ESTATE

P.O. BOX 4106

SANTA ANA 92702

1000 STEPS - SOUTH LAGUNA BEACH AGREEMENT

ATTN: CAROL FRALEY

THIS AGREEMENT made and entered into this 31st day
of January, 1984, by and between the COUNTY OF ORANGE
(hereinafter the "County"), the STATE OF CALIFORNIA, acting
by and through its STATE LANDS COMMISSION, its CALIFORNIA
COASTAL COMMISSION and its ATTORNEY GENERAL, JOHN K. VAN DE
KAMP (collectively and individually referred to as the
"State"), and the following private parties who own lands or
interests in lands along and adjacent to the boundary line
established herein and who execute counterparts to this
agreement: MYRON WACHOLDER, MARILYN WACHOLDER, S. KENNETH
JOHNSON, NANCY JOHNSON, RUTH K. SMITH, TRUSTEE, WENDELL B.
SMITH, TRUSTEE, TIMOTHY S. WHELAN, LINDA L. WHELAN, KENT L.
COMBS, POOH, LTD., DAVID L. STOKESBARY, KIALIN STOKESBARY, A.
JUDSON WRAY, ELIZABETH C. WRAY, BARBARA K. MacGILLIVRAY, GREG
MacGILLIVRAY, ALFRED J. GLUCK, AS TRUSTEE UNDER DECLARATION
OF TRUST DATED JULY 11, 1974, GRANT B. MEYER, JR., TERRY R.
HAMILTON, VICTORIA BART, EARL GARY BART, DERELYS S. DePAOLO,
THOMAS DePAOLO, MARIO CASTELLON, CATHERINE A. FROMAN, RUSS
HARRIS, CHERYL HARRIS, and MacGILLIVRAY-FREEMAN FILMS, a
partnership (collectively and individually referred to as the
"Private Parties"), which and all of which are parties to this
Agreement (collectively and individually referred to as the
"Parties").

This is to certify that this document is presented
for record by GSA - Real Estate Division under
Gov. Code Sec. 6103 and is necessary to com-
plete the chain of title to property acquired by
County.

1.

RECORDED IN OFFICIAL RECORDS
OF ORANGE COUNTY, CALIFORNIA

-140 PM JAN 31 '84

By

Carol Fraley COUNTY
RECORDER

Escrow Clerk

RECITALS

WHEREAS, the lands that are the subject of this Agreement are those lands within the "Agreement Area" as defined in Article 1 hereof and as depicted on the map attached hereto as Exhibit A, such lands being located in the County of Orange along the coastline of California in South Laguna Beach; and

WHEREAS, the lands within the Agreement Area consist of sandy beach areas bounded on their seaward side by the tide and submerged lands owned by the State of California and on their landward side by uplands owned by the Private Parties and Others; and

WHEREAS, Private Parties claim to be the owners of fee title to the uplands within the Agreement Area by virtue of being the successors in interest by mesne conveyances to the right, title and interests of the original grantees of such uplands; and

WHEREAS, the State of California, by virtue of its sovereignty, received all right, title and interest to the tide and submerged lands adjoining the Agreement Area at the time of its admission to the Union; and

WHEREAS, the lands within the Agreement Area are the subject of the lawsuit, South Laguna Coves Association v. County of Orange, et al. filed in the Superior Court of the State of California, County of Orange as Case No. 29-72-81; and

WHEREAS, the judgment in said lawsuit, which was filed therein on January 5, 1982, in part decreed that there

has been no implied dedication to the public of any portion of the sandy beach within the Agreement Area; and

WHEREAS, the County of Orange has appealed from this portion of said judgment to the Court of Appeal of the State of California, Fourth Appellate District, as Appeal No. 4 Civil 30345; and

WHEREAS, the State Lands Commission, at its meeting of May 27, 1982, at the urging of the California Coastal Commission and other interested parties, authorized its staff and the Office of the Attorney General to take whatever steps necessary to protect the public's rights in the Agreement Area; and

WHEREAS, the State intervened in said lawsuit on July 2, 1982, on grounds that it has an interest in the Agreement Area; and

WHEREAS, the State has also appealed from that portion of said judgment which decreed that there has been no implied dedication of the sandy beach to the public; and

WHEREAS, the trial court has issued an interlocutory order vacating that portion of said judgment which decreed that there has been no implied dedication of the sandy beach to the public and intends to approve and enter a stipulated judgment which, along with this Agreement, will resolve the implied dedication issue; and

WHEREAS, the tide and submerged lands adjacent to and adjoining the Agreement Area are subject to the common law public trust for commerce, navigation and fisheries for the benefit of all the people of the State; and

WHEREAS, there is a dispute between the Parties concerning their respective rights and interests in the Agreement Area, to wit: Private Parties claim fee title to the entire Agreement Area and deny that the County or State has any easement or other rights except those of record in or over the Agreement Area; the County and State, on the other hand, claim title to access and recreational easements over substantial portions of the Agreement Area on grounds that such easements were impliedly dedicated to the public by Private Parties and their predecessors in interest; and

WHEREAS, there is substantial doubt as to the extent, area and true boundaries of the impliedly dedicated public access and recreational easements which the State and County claim to exist in the Agreement Area; and

WHEREAS, the Parties did enter into negotiations with the intention of settling the dispute as to which portions of the Agreement Area are subject to public rights; and

WHEREAS, said negotiations considered the facts and contentions of the Parties, including the present status of the lawsuit, South Laguna Coves Association v. County of Orange, et al., and the appeal thereof, together with the needs of the Private Parties who own homes on the uplands adjacent to the Agreement Area; and

WHEREAS, the Parties to said negotiations are willing to compromise their respective claims and have agreed that the most reasonable location of a boundary between the public and private portions of the beach within

the Agreement Area is the line (hereinafter the "Agreed Boundary") depicted on Exhibit A hereof; and

WHEREAS, the Parties have agreed that the beach areas landward of this Agreed Boundary are to be recognized as private property and that the beach areas seaward of this agreed boundary are to be recognized as public property; and

WHEREAS, to effectuate this Agreement the Private Parties have agreed to convey any and all of their right, title and interest in those portions of the Agreement Area lying seaward of the Agreed Boundary to the County, and the State and County have agreed to convey any and all of their right, title and interest in those portions of the Agreement Area lying landward of the Agreed Boundary to the respective Private Parties who own the adjacent uplands; and

WHEREAS, in consideration of this settlement, the County is willing to take on normal responsibilities for the maintenance and control of the public beach within the Agreement Area as specified below; and

WHEREAS, in consideration of the public rights dedicated pursuant to this Agreement, additional access requirements will not be imposed on coastal permits issued pursuant to the California Coastal Act of 1976, as amended, or county building permits for single family residential developments upon the "Adjacent Uplands," as defined in Article 1 hereof, in the future as specified below; and

WHEREAS, the boundary between uplands and tide and submerged lands which are in a state of nature is the "Ordinary High Water Line," as defined in paragraph 1.18 hereof, whose location may fluctuate due to accretion or erosion of the beach; and

WHEREAS, there is no intention by this Agreement to fix or establish the location of the Ordinary High Water Line along the Agreement Area; and

WHEREAS, as of the date of this Agreement, the precise location of the Ordinary High Water Line along the Agreement Area is not precisely known but is estimated to be located a distance seaward of the Agreed Boundary; and

WHEREAS, it is agreed herein that if the Ordinary High Water Line should, due to erosion, move landward of the Agreed Boundary within the Agreement Area, such line shall become the boundary between the State's sovereign tide and submerged lands and the Private Beach, and, furthermore, should there be an accretion after such an erosion, causing the Ordinary High Water Line to move seaward of the Agreed Boundary, the Agreed Boundary shall be reestablished as the boundary between Public and Private Beach within the Agreement Area; and

WHEREAS, the resolution of these title and boundary disputes would likely require protracted, costly and vigorously disputed litigation based upon uncertain evidentiary and legal issues if these disputes could not be resolved by settlement in lieu of further litigation; and

WHEREAS, the County and State, by relinquishing their claims to impliedly dedicated public easements within the Agreement Area landward of the Agreed Boundary will gain the release of Private Parties' claims to substantial areas seaward of the Agreed Boundary which would not otherwise be available without litigation in the absence of this Agreement; and

WHEREAS, the State and County have found it is prudent, expedient and in their best interests and in the best interest of the public, and in furtherance of public trust purposes that this Agreement should be effectuated; and

WHEREAS, it is in the interest of Private Parties to enter into this Agreement in order to clear the title of their uplands, including their private beach areas, and to assure that the adjacent public beach areas shall be controlled and maintained by the County in an orderly manner; and

WHEREAS, the Attorney General, who is a party hereto by virtue of his authority to represent the State and public in matters relating to public access and recreational easements arising by virtue of implied dedication, has reviewed the facts and circumstances relating to the public's claims that portions of the Agreement Area are subject to such easements and the Private Parties' dispute of these claims and has concluded that the agreement reached herein is just, equitable and in the best interest of the public and State; and

WHEREAS, the understanding reached herein as to the location of the Parties' common boundaries and their respective rights and interests in the Agreement Area will facilitate legitimate utilization of said area for public and private uses based upon this resolution of boundary and title problems; and

WHEREAS, it is expedient and necessary and in the best interest of all Parties that the record title to lands within the Agreement Area be determined and described and that the title problems be resolved; and

WHEREAS, this Agreement shall in no way affect the respective rights, titles and interests as such may exist of the Parties and other persons and entities in lands located within and without the Agreement Area except as between the Parties as specifically set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements herein contained, and other consideration the receipt and adequacy of which is hereby acknowledged, it is agreed as follows:

ARTICLE 1

DEFINITIONS1.1. Definitions of Particular Words and Phrases.

The words and phrases hereafter listed will be given the meaning indicated when used in this Agreement.

1.2. Agreed Boundary shall mean the line which is agreed between the Parties in paragraph 4.2 hereof to be the common boundary between the Private Beach and the Public Beach within the Agreement Area, which line is depicted and described in Exhibits A and D hereof.

1.3. Agreement shall mean this 1000 Steps - South Laguna Beach Agreement.

1.4. Agreement Area shall mean the lands contained within the aggregates of the Private Beach and the Public Beach which parcels are shown on the map attached as Exhibit A to this Agreement and are described in Exhibits B and C to this Agreement.

1.5. Adjacent Tidelands shall mean the lands adjoining the Agreement Area along its seaward boundary, which boundary is the Ordinary High Water Line of the Pacific Ocean. Said lands constitute sovereign tide and submerged lands owned in trust by the State for the People of the State of California.

1.6. Adjacent Uplands shall mean the Uplands between Pacific Coast Highway and the Agreement Area which adjoin the Agreement Area along its landward boundary.

1.7. Attorney General shall mean the Office of the Attorney General of the State of California.

1.8. California Coastal Commission shall mean the California Coastal Commission of the State of California which was established pursuant to the California Coastal Act of 1976.

1.9. Close of Escrow shall mean Close of Escrow as defined in paragraph 8.9 hereof.

1.10. County shall mean the County of Orange which is a political subdivision of the State of California.

1.11. County Clerk shall mean the Office of the County Clerk of the County of Orange.

1.12. County Counsel shall mean the Office of the County Counsel of the County of Orange.

1.13. Effective Date shall mean the date this Agreement becomes effective pursuant to paragraph 8.8 hereof.

1.14. Escrow Agent shall mean the General Services Agency of the County of Orange referred to hereinafter as "GSA."

1.15. Irrevocable Offer shall mean the irrevocable offer to enter into this Agreement by Private Parties which shall become effective as provided for in paragraph 8.7 hereof.

1.16. Liaison Committee shall mean the Liaison Committee as described in paragraph 5.1 hereof.

1.17. Matters of Record shall mean those muniments of title, including liens, encumbrances, conveyances and all other matters which are disclosed by

those pertinent records in the Offices of the County Recorder of Orange County and Los Angeles County, California, which impart constructive notice under the recording statutes.

1.18. Ordinary High Water Line shall mean the line created by the intersection of the tidal plane of mean high water with the shoreline. See "Shore and Sea Boundaries," by Aaron L. Shalowitz, 1962, published by U.S. Department of Commerce, for the definition of "mean high water" and for a description of how mean high water can be determined at any given location.

1.19. Others shall mean persons and entities other than those Parties named on page 1 of this Agreement or those Other Parties, defined in paragraph 1.20 hereof, who own lands or interests in lands within or adjoining the Agreement Area but who do not sign a counterpart of this Agreement.

1.20. Other Parties shall mean those persons and entities, other than the Parties specifically named on page 1 hereof, who own lands or interests in lands within or adjoining the Agreement Area who execute counterparts to this Agreement.

1.21. Parties shall mean those persons and entities specifically named on page 1 hereof as parties to this Agreement.

1.22. Private Beach shall mean the Uplands contained within the area depicted and described as "Private

Beach" in Exhibits A and C hereof which are agreed herein to be owned in fee by the Private Parties, or some of them.

1.23. Private Parties shall mean the Parties to this Agreement excluding governmental entities.

1.24. Public Beach shall mean the Uplands contained within the area depicted and described as "Public Beach" in Exhibits A and B hereof which are agreed herein to be owned in fee by the County.

1.25. Recitals shall mean the recitals of the Parties which precede the provisions of this Agreement as are contained on pages 2 through 8 hereof.

1.26. State shall mean the State of California, acting jointly and separately, by and through the State Lands Commission, the California Coastal Commission and the Attorney General.

1.27. State Lands Commission shall mean the State of California, acting by and through its State Lands Commission.

1.28. Termination of Agreement shall mean Termination of Agreement as defined in paragraph 8.11 hereof.

1.29. Uplands shall mean the lands within and adjacent to the Agreement Area which are landward of the Ordinary High Water Line of the Pacific Ocean.

ARTICLE 2

EXHIBITS

2.1. Designation of Exhibits. Attached to this Agreement and incorporated herein for all purposes are the exhibits listed in this article.

2.2. Exhibits Considered Correct. These exhibits shall be considered as true and correct for all purposes of this Agreement unless and until they are revised and corrected by the mutual agreement of the Parties.

2.3. Reference to Exhibits. Whenever in this Agreement reference is made to any of the exhibits, such reference shall mean the latest revision thereof, including appropriate supplements submitted to and approved by the Parties to this Agreement.

2.4. Exhibit A - being a map entitled "Plat of the 1000 Steps - South Laguna Beach Agreement," hereinafter referred to as Exhibit A.

2.5. Exhibit B - being a legal description of the lands contained within the parcel shown as the Public Beach on Exhibit A.

2.6. Exhibit C - being a legal description of the lands contained within the parcel shown as the Private Beach on Exhibit A.

2.7. Exhibit D - being a legal description of the Agreed Boundary between the Private and Public Beaches.

2.8. Exhibit E - being a map showing the area over which the County is being granted an easement for the location and construction of a restroom and related facilities as provided in paragraph 5.5 hereof.

2.9. Exhibit F - being further escrow instructions.

ARTICLE 3

CONSIDERATION3.1. Consideration Set Forth Herein is Exclusive.

The mutual policies, agreement and covenants of the Parties hereto and the documents to be given and received and the benefits flowing directly and indirectly to the Parties shall be the full and complete amount of consideration for this Agreement. The Parties agree that the aforesaid consideration is bargained for, adequate and sufficient.

ARTICLE 4

BOUNDARY AGREEMENT AND TITLE SETTLEMENT

4.1. Preamble and Disclaimer. Due to the uncertainties and disputes as to the physical locations of the common boundaries of the private and public Uplands, the primary purpose of this article is to determine and fix the boundaries of the Uplands and the respective rights and interests of the Parties within the Agreement Area. In negotiating this Agreement it was and continues to be understood that the provisions hereof have been determined for purposes of compromising and settling the boundary and other disputes between the Parties which are described in the Recitals hereof. The boundary lines and confirmations of titles and other interests agreed upon herein do not constitute admissions nor shall they be construed as an expression on the part of any Party in the event that this Agreement does not become effective pursuant to paragraph 8.8 hereof. Moreover, no provision of this Agreement shall constitute an admission nor be construed as an expression on the part of any Party in relation to any present or future dispute with Others who do not become Other Parties to this Agreement.

4.2. Agreed Boundary Between and Confirmation of Titles to the Private Beach and Public Beach. In order to locate, describe and permanently establish and fix the common boundary between the private Uplands and the public Uplands within the Agreement Area, the Parties hereby agree

that said common boundary shall be the line particularly described in Exhibit D, which line is also depicted on Exhibit A. This Agreed Boundary shall be permanently fixed, evidenced by monuments, and shall not move as a result of accretion, erosion or other natural or unnatural causes or events. The Parties agree and confirm that the County is vested with fee title to the Uplands shown as the Public Beach on the map of Exhibit A which are located along and seaward of said Agreed Boundary. The Private Parties hereby, jointly and severally, grant all of their right, title and interest in said beach to the County. The Parties agree and confirm that the Public Beach is and will remain subject to public access and recreational easements which have arisen by virtue of implied dedication in accordance with the case of Gion v. City of Santa Cruz (1970) 2 Cal.3d 29. The Parties further agree and confirm that the fee title to the Uplands shown as the Private Beach on the map of Exhibit A is vested in the respective Private Parties, or some of them, who are the owners of the Adjacent Uplands. In consideration of this compromise as to the location of the Agreed Boundary, the County and State agree and confirm that the Private Beach is not subject to public access and recreational easements arising by virtue of implied dedication under the case of Gion v. City of Santa Cruz (1970) 2 Cal.3d 29; any claims of the County, State or public to the contrary are hereby waived and forever relinquished. However, the fee titles to the Private Beach, as hereby confirmed shall remain subject to any reservations, easements, liens, conditions, covenants and

other encumbrances, which are Matters of Record and are current, valid and binding on the Effective Date of this Agreement.

4.3. Private Parties Documents Confirming Fee Ownership of the Public Beach in the County. To establish record confirmation of fee title to the Public Beach in the County as provided in paragraph 4.2, Private Parties agree to execute and deposit with the Escrow Agent, one or more quitclaim deeds, which shall convey all their right, title and interest in the Public Beach to the County. It is further agreed that if said quitclaim deeds are not sufficient to vest fee simple title to the Public Beach in the County free and clear of all reservations, easements, covenants, conditions, liens and other encumbrances, except the public access and recreational easements described in paragraph 4.2, Private Parties shall use their best efforts to also deliver, or have delivered, to the Escrow Agent quitclaim deeds or other appropriate conveyances which shall be sufficient to clear and free the title of the Public Beach from such reservations, easements, covenants, conditions, liens and other encumbrances. The State and County may specifically waive or partially waive the requirements of this provision; however, any waiver or partial waiver of this provision must be approved in writing by the County Counsel and by the Attorney General.

4.4. Movement of the Ordinary High Water Line and the State's Rights in the Adjacent Tidelands. It is agreed that the common boundary between the Agreement Area and the

Adjacent Tidelands is the Ordinary High Water Line of the Pacific Ocean as such line presently exists. It is further agreed in accordance with California law that the location of the Ordinary High Water Line is not permanently fixed but would move in the future by reason of erosion or accretion. The approximate location of the Ordinary High Water Line along the Agreement Area as of July 1983 is shown on the map of Exhibit A; it is understood that this map depicts only a representative location of the Ordinary High Water Line as of July 1983. It is further understood that due to erosion of the beach, the Ordinary High Water Line may move landward into portions of the Agreement Area; in the event of significant erosion the Ordinary High Water Line may even move landward of the Agreed Boundary between the Private and the Public Beaches. In such event and during the time which the Ordinary High Water Line is located landward of the Agreed Boundary, the County will be divested of its fee title to the Public Beach; during such times, the common boundary between the Adjacent Tidelands and the Private Beach will be the Ordinary High Water Line of the Pacific Ocean. It is further understood that subsequent to such an erosion, there may be an accretion of the beach which will cause the Ordinary High Water Line to move seaward of the Agreed Boundary. In such event the County will be revested with fee title to the Public Beach (subject to a public access and recreational easement) and the common boundary between the Public Beach and Private Beach will be reestablished as the Agreed Boundary. In other words,

whenever the Ordinary High Water Line along the Agreement Area is located landward of the Agreed Boundary, the Ordinary High Water Line, wherever it is located, shall be the common boundary between the Private Beach and the Adjacent Tidelands. Whenever the Ordinary High Water Line along the Agreement Area is located seaward of the Agreed Boundary, the Ordinary High Water Line, wherever it is located, shall be the common boundary between the Public Beach and the Adjacent Tidelands. In all cases and events the public shall have rights of access to and use of the Adjacent Tidelands in accordance with the public trust easement for commerce, navigation and fisheries.

4.5. No Effect on Other Areas. It is expressly understood by the Parties that the provisions set forth in this article have been determined for purposes of compromising and settling title disputes between the Parties with respect to lands located within the Agreement Area. Except as specifically provided herein, the boundary lines, confirmations of title and other interests and the conveyances agreed upon do not constitute admissions, nor are they to be construed as an expression on the part of any Party concerning the extent or boundaries of any lands or other interests in areas outside the Agreement Area, nor an expression on the part of any Party concerning the extent of or boundaries of the interests of Others who do not become Other Parties to this Agreement in lands within the Agreement Area. The agreements hereof shall not constitute

any admissions nor be construed as an expression on the part of any person or entity executing this Agreement, except as between the Parties and Other Parties hereto.

ARTICLE 5

USE, MAINTENANCE AND CONTROL OF PUBLIC BEACH BY THE COUNTY

5.1. Formation of Liaison Committee. As soon as possible, after the Effective Date of this Agreement, a Liaison Committee shall be formed whose function will be to coordinate and implement, in an advisory capacity only, the provisions of this article. Said committee shall consist of at least one representative of the Supervisor of the Fifth District of the County's Board of Supervisors to be appointed by said supervisor, a representative of each supervisor from the other four districts of the County Board of Supervisors to be appointed by each respective supervisor, a representative of the County Sheriff's Department to be appointed by the Orange County Sheriff, a representative of the Environmental Management Agency or its successor, to be appointed by the Director of said agency, and three of the Private Parties hereto who reside in homes located on the Adjacent Uplands, to be appointed by a majority vote of the Private Parties. In the event the Orange County Sheriff or any supervisor fails to appoint representatives as provided above, the Director of the Environmental Management Agency may appoint additional representatives.

5.2. Posted Hours of Beach Use and Controlled Access Gate. It is agreed that the County will maintain signs indicating the hours during which the public, Private Parties, Other Parties or Others may lawfully use the Public

Beach. Such public use shall be controlled by an access gate at the head of 1000 Steps along Pacific Coast Highway. Said gate shall be closed, but not locked, during the hours during which use is prohibited. The hours of use shall be determined by the County. At a minimum, use of the Public Beach shall be allowed during the daylight hours; "daylight hours" shall mean the hours occurring between one hour before sunrise and one hour after sunset. In no event, however, shall the County designate hours of use during the hours from 9:00 p.m. to 6:00 a.m.

5.3. Maintenance, Cleanup and Control of the Public Beach. The County shall maintain and clean the Public Beach and the 1000 Steps stairway and shall provide lifeguard and police services on the Public Beach at the level of service generally provided by the County at similarly situated County-owned beaches. It is understood that the level of service generally maintained by the County at such beaches may be changed in the future at the County's discretion.

5.4. No Dogs or Fires Allowed on Beach. The County presently has ordinances prohibiting dogs and fires on County beaches. Such ordinances shall be applicable to the Public Beach and the County shall maintain signs indicating such prohibitions.

5.5. Restroom Easement. Greg and Barbara K. MacGillivray hereby grant the County an easement, which shall run with the land, to locate and construct a restroom,

drinking fountains, showers, lifeguard stands and appurtenant facilities on the Private Beach within the area described in Exhibit E. In addition, upon written request of the County, the Private Parties hereby covenant to convey to the County whatever easements in the Private Beach and Adjacent Uplands as are necessary in order to provide utilities for said restroom, drinking fountains, showers, lifeguard stands and appurtenant facilities provided that such easements do not interfere with any existing improvements on the Private Beach or the Adjacent Uplands. Said covenants and easements shall run with the land and forever inure to the benefit of the public and the County as owners of appurtenant lands.

5.6. Lifeguard Stands. The Private Parties hereby grant the County easements in the Private Beach, which shall run with the land, to locate and staff a maximum of two portable lifeguard stands on the Private Beach. It is understood that the County will locate its lifeguard stands on the Public Beach whenever such location is practical; however, when due to erosion the only practicable lifeguard locations are on the Private Beach, the County shall have the right under said easement to locate and staff its lifeguard stands in such locations. Said easement shall forever inure to the benefit of the public and the County as owners of appurtenant lands.

ARTICLE 6

COASTAL COMMISSION AND COUNTY BUILDING PERMITS6.1. Coastal Commission Permits. In.

consideration of the settlements made in this Agreement and Private Parties' relinquishment of their rights and claims to interests in the Public Beach, the California Coastal Commission, under the California Coastal Act of 1976, as amended, agrees not to require that the Private Parties who own Adjacent Uplands dedicate any further property rights for public access in the Adjacent Uplands or in the Private Beach as a condition for permits to make lot line adjustments, build single family homes, or reconstruct or remodel existing improvements upon the Adjacent Uplands.

6.2. County Building Permits. In consideration of the settlements made in this Agreement and Private Parties' relinquishment of their rights and claims to interests in the Public Beach, the County hereby waives any and all of its rights under applicable law, or as such law may be amended in the future, to require that the Private Parties who own Adjacent Uplands dedicate any further property rights for public access in the Adjacent Uplands or in the Private Beach as a condition for permits to make lot line adjustments, build single family homes, or reconstruct or remodel existing improvements upon the Adjacent Uplands.

6.3. No Waiver of Permit Requirements. Except as specifically provided in paragraphs 6.1 and 6.2 hereof, this Agreement shall in no way affect the Parties' responsibilities in obtaining coastal or county building permits for any developments proposed to occur on the Public or Private Beach or on the Adjacent Uplands according to the applicable provisions of law.

ARTICLE 7

FINDINGS, DETERMINATIONS, AND APPROVALS

OF THE STATE OF CALIFORNIA

7.1. Approval of Agreement and Determinations of the State Lands Commission. The State Lands Commission hereby approves the provisions of this Agreement, including the establishment of the Agreed Boundary between the Public Beach and Private Beach and the acts to be performed by the County which are to be effected pursuant to the provisions of this Agreement. The State Lands Commission finds and determines that the settlement of the title and other disputes by this Agreement is in the best interest of the State and promotes commerce, navigation and fishery and other public trust purposes, that it will not interfere with trust uses and purposes in the lands involved and, in fact, will enhance and enlarge public rights and utilization of said lands for such trust purposes.

7.2. Approval of Agreement and Findings and Determinations of the Attorney General. The Attorney General of the State of California hereby approves the provisions of this Agreement. The Attorney General finds and determines that the most viable claims that certain portions of the Agreement Area are subject to public access and recreational easements arising through implied dedication, in accordance with the case of Gion v. City of Santa Cruz (1970) 2 Cal.3d 29, would be applicable to the Public Beach area. In consideration of the compromise

herein as to the Agreed Boundary between the Public and Private Beach and the conveyance of fee title to the Public Beach to the County as provided herein, the Attorney General further finds and determines that the settlement of these public claims as set forth in this Agreement is just, equitable and in the best interest of the public and all Parties hereto.

7.3. Approval of Agreement and Findings and Determinations of the California Coastal Commission. The California Coastal Commission hereby approves the provisions of this Agreement. The Coastal Commission finds and determines that this settlement is in the best interest of the public, will provide access to the Public Beach and Sovereign Tidelands and promote other public trust purposes, and is in accordance with the provisions of the California Coastal Act of 1976, as amended.

ARTICLE 8

COUNTERPARTS, ESCROW, TITLE INSURANCE,EFFECTIVE DATE AND RECORDATION

8.1. Separate Counterparts. This Agreement may be executed in any number of counterparts and each executed counterpart shall have the same force and effect as an original and as if all of the parties to the aggregate counterparts had signed the same instrument. Any signature page of this Agreement may be detached by the Escrow Agent from any such counterpart without impairing the effect of any signatures thereon, and may be attached to another counterpart of this Agreement, identical in form hereto, but having attached to it one or more additional signature pages.

8.2. Others Becoming Parties to this Agreement. Any owner of property in the Adjacent Uplands within five years after the Effective Date of this Agreement may become an Other Party to this Agreement by executing a counterpart hereof and depositing such counterpart together with the quitclaim deeds and other documents specified in paragraph 4.3 with the Escrow Agent. (Any such owner shall be responsible for and pay all incidental costs relating to becoming an Other Party to this Agreement, including but not limited to, recording fees, documentary transfer tax, and title insurance costs.) The Escrow Agent shall have such executed counterpart, deeds and other documents recorded in the Office of the County Recorder of the County of Orange

but only after such time as said Escrow Agent has been notified by the County Counsel and the Attorney General that adequate title insurance covering the Public Beach in front of said property has been or will be obtained. Each such executed counterpart shall be effective on recordation. Upon such counterpart being effective, the terms, provisions and conditions of this Agreement shall become binding upon and inure to the benefit of such Other Party to the same extent as if such Other Party was an original Private Party to this Agreement. The failure of any owner of property in the Adjacent Uplands to execute a counterpart of this Agreement shall in no way affect the consideration supporting this Agreement or the validity or binding nature thereof as between such owners which become parties hereto and the County and State. This Agreement shall not constitute any admission nor is it to be construed as an expression on the part of any person or entities executing this Agreement except as between the Parties and Other Parties hereto.

8.3. Designation of Escrow Agent. The Parties designate and hereby authorize GSA to act as the Escrow Agent for all purposes of this Agreement. GSA, as the designated Escrow Agent, is directed to accept a fully executed (or conformed) copy of this Agreement as the instructions of the Parties with the understanding that it shall have no obligation with respect to those matters which, although an agreement between the parties, will not

be part of the escrow but which, according to the terms, will survive the closing of this escrow. The duties and responsibilities of the Escrow Agent in addition to those set forth elsewhere in this Agreement are included in Exhibit F hereof, attached to this Agreement. Additional escrow instructions consistent with this Agreement from the Parties or any of them shall be attached to Exhibit F as received.

8.4. Escrow Agent to Record All Instruments and Documents. Unless specifically provided to the contrary, all deeds, maps or other instruments or documents necessary to accomplish the provisions of this Agreement shall be deposited with the Escrow Agent. Upon the Close of Escrow (as defined herein), the Escrow Agent shall record such instruments and documents in the Office of the County Recorder of Orange County in the order necessary or appropriate to accomplish the provisions of this Agreement. Such instruments or documents shall not become effective until recorded; however, the Escrow Agent may record such instruments or documents, or any of them, prior to Close of Escrow upon receipt of written instructions to do so from the County Counsel and the Attorney General. Recordation of any additional instruments or documents delivered to the Escrow Agent by the Parties, Other Parties or Others with instructions for recording, if necessary or proper in the issuance of policies of title insurance called for or to settle titles or boundaries, is authorized provided such

instruments or documents are recorded in accordance with the provisions of this article.

8.5. Depositing of Funds Received by Escrow Agent. Any funds received by Escrow Agent in carrying out the provisions of this Agreement shall be deposited with the Treasurer of the County of Orange.

8.6. County's Title Insurance Policy. The Escrow Agent is hereby authorized and directed to obtain for the County within ninety days after the Close of Escrow a CLTA standard coverage policy of title insurance with title company liability in the amount of three hundred thousand dollars (\$300,000) insuring the fee title of the County to those portions of the Public Beach which adjoin the Private Beach of the Private Parties hereof subject only to the terms of this Agreement and an access and recreational easement in favor of the public. Prior to Close of Escrow, the Escrow Agent shall supply a preliminary title report covering said portions of the Public Beach to the County Counsel and the Attorney General who within twenty days after receipt thereof shall notify the Escrow Agent in writing whether the condition of title to said lands is such that upon the recording of the documents and coveyances required by this Agreement, title will become vested in the County as specified herein or in an otherwise satisfactory manner. If in the opinion of the County Counsel or the Attorney General the condition of title is not such that it will vest in the County as specified herein, no such

documents and conveyances shall be recorded by the Escrow Agent until it receives in writing a statement from the County Counsel and the Attorney General that any impediments to title being vested in the County as specified herein have been removed. When the Escrow Agent is notified that the condition of title is as required by this Agreement, it may then proceed to record the documents to be given and received as provided herein. Any waiver, partial waiver or modification of this provision must be approved in writing by the County Counsel and by the Attorney General. The cost of the preliminary title report and the policy of title insurance shall be paid by the County.

8.7. Irrevocable Offer of Private Parties. This Agreement shall constitute an effective, irrevocable offer to enter into this Agreement by any Private Party when a counterpart of this Agreement has been executed by such Party and is deposited with the Escrow Agent. Such Irrevocable Offer shall expire on January 31, 1984. During the period which said Offer is open for acceptance by the County and State, said Offer shall have the effect on Private Party's respective heirs, administrators, executors, successors and assigns as provided in paragraphs 9.5 and 9.6 hereof. Notwithstanding any other provision of this article to the contrary, it shall be the duty of the Escrow Agent to record any such Irrevocable Offers in the Office of the Orange County Recorder upon being instructed to do so in writing by the Attorney General and the County Counsel so

long as such instruction is received by the Escrow Agent before January 31, 1984.

8.8. Effective Date and Recordation of Agreement.

This Agreement shall become effective when all Parties hereto have properly executed and deposited a counterpart of this Agreement with the Escrow Agent and a fully executed counterpart of this Agreement is recorded in the Office of the Orange County Recorder. It shall be the duty of the Escrow Agent to record such a fully executed counterpart of this Agreement immediately upon deposit thereof. Notices shall be mailed to all Parties by the Escrow Agent stating that such a counterpart has been recorded, the date of such recording and the pertinent recording information.

8.9. Close of Escrow Defined. For purposes of this Agreement, the term "Close of Escrow" shall mean that point in time when all of the following occur or have been accomplished: (a) this Agreement shall have become effective as provided in paragraph 8.8 hereof; (b) the Escrow Agent shall have obtained from the County and State approval of the conditions of titles as set forth in the preliminary title reports to be issued pursuant to the provisions of paragraph 8.6; and (c) all deeds, instruments and other documents necessary to accomplish the provisions of this Agreement shall have been deposited with the Escrow Agent.

8.10. Escrow Period. The maximum period in which all acts necessary for the Close of Escrow, as that term is defined in paragraph 8.9, shall be accomplished is one (1) year from the Effective Date of this Agreement or from the date upon which the Irrevocable Offer becomes effective, whichever is earlier.

8.11. Termination of Agreement. For purposes of this Agreement the term "Termination of Agreement" shall mean the expiration of the period specified in paragraph 8.10 hereof, prior to the "Close of Escrow" as defined in paragraph 8.9. Should said expiration occur, this Agreement shall terminate on the date the Escrow Agent receives written notification of said occurrence from a Party (other than the Escrow Agent) to this Agreement. Immediately upon receipt of said notification, the Escrow Agent shall give notice of this fact to all of the Parties. It is specifically understood that this Agreement is in compromise and settlement of certain title and boundary problems within the Agreement Area, consequently, should this Agreement be terminated, as herein provided, nothing contained in or done pursuant to this Agreement shall constitute any admissions or be construed as an expression on the part of any Party hereto, concerning any matter set forth in, or done pursuant to this Agreement.

8.12. Other Costs. Except as otherwise specifically provided herein, each Party shall bear their own costs in connection with this Agreement.

ARTICLE 9

MISCELLANEOUS PROVISIONS

9.1. Acknowledgments. In execution of this Agreement and implementing documents, each Party shall furnish sufficient acknowledgments and certificates as may be necessary to duly record, in the Office of the County Recorder of Orange County, the execution thereof.

9.2. Gender. As used herein, whenever the context so requires, the neuter gender includes the masculine and the feminine, and the singular includes the plural and vice versa. Defined terms are to have their defined meaning regardless of the grammatical form, number or tense of such terms.

9.3. Headings. The title headings of the respective articles and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to be part of this Agreement.

9.4. Notices. All notices required or permitted to be given by the provisions of this Agreement shall be deemed to have been given forty-eight (48) hours after such notice is deposited in the United States mail, as registered or certified mail with postage thereon fully prepaid, addressed to the person or entity to be notified at the address set forth herein or as later provided to the Parties and Escrow Agent. Any notice given in any other fashion shall be deemed to have been given when actually received by the addressee. Any Party may change its address by giving

written notice to all Parties and the Escrow Agent. A copy of all notices shall also be given to the Escrow Agent, and said notice shall not be effective until also deemed given by the Escrow Agent, pursuant to the provision of this paragraph. The addresses of the Parties hereto are as follows:

(a) State of California
c/o The Attorney General's Office
3580 Wilshire Boulevard
Los Angeles, CA 90010

Attention: Robert G. Collins

(b) The "County"
County of Orange
c/o County Counsel Adrian Kuyper
10 Civic Center Plaza
P.O. Box 1379
Santa Ana, CA 92702

Attention: Edward N. Duran

(c) Private Parties
c/o Edwin P. Martin
5316 E. Chapman
Orange, CA 92669

(d) Escrow Agent
General Services Agency
of the County of Orange
c/o GSA/Real Estate Division
P.O. Box 4106
Santa Ana, CA 92702-4106

9.5. Successors and Assigns. The terms, provisions and conditions hereof shall be binding upon and inure to the benefit of the respective heirs, administrators, executors, successors and assigns of the Parties.

9.6. Effect of Transfers. Any transfer, assignment, hypothecation or conveyance of all or any part

of any interest owned by any Party with respect to any lands within the Agreement Area shall be subject to the terms and provisions of this Agreement or Irrevocable Offer.

9.7. Severability Clause. The Parties agree that any provisions of this Agreement which remain to be performed after the Close of Escrow shall survive such Close and shall continue in full force and effect and be severable, separate and distinct from the other provisions of this Agreement. Should any party fail to comply with any such provisions after the Close of Escrow, such failure shall in no way affect the validity, binding nature or consideration supporting this Agreement. Nothing herein, however, shall affect or diminish the rights of any Party hereto at law or in equity, or both, to enforce the provisions of this Agreement against any Party hereto.

9.8. Further Assurance. Each of the Parties hereto will do such further acts and execute, acknowledge, and deliver all further documents and instruments as may be necessary or appropriate to effectuate fully the provisions of this Agreement and to assure any Party all of the respective properties, rights, titles, interests, remedies, powers, and privileges to be conveyed or provided for herein.

9.9. Subdivision Map Act. It is found and agreed by the Parties hereto that in accordance with the California Government Code section 66412(e) that this Agreement is not subject to the provisions of the Subdivision Map Act.

9.10. Effect of "Best Efforts". Whenever in this Agreement it is the responsibility of a Party or Other Party to use its best efforts to obtain from Other Parties or Others an act or consent or the execution of a document, and the Party or Other Party having such responsibility is unsuccessful and is frustrated in discharging such responsibility despite the exercise of best efforts, the fact that such Party or Other Party used its best efforts shall not excuse the performance of any such act, the granting of any such consent or the execution of any such document as a condition precedent to the Close of Escrow. In such event, the Close of Escrow shall still require said performance of such act, the granting of such consent or the execution of such document, unless waived pursuant to the terms of this Agreement.

9.11. Power of Attorney. Any Private Party making an Irrevocable Offer to enter into this Agreement pursuant to paragraph 8.7 hereof, hereby appoints Edwin P. Martin, and Bertrand E. Cottle in the alternative, as such Party's attorney in fact to act in his or her capacity to do any and all of the following during the time this Irrevocable Offer is open for acceptance by the County and the State: (a) agree to the addition or deletion of names of persons or entities named as Private Parties on page 1 hereof; (b) agree to non-substantive changes in this Agreement, including the exhibits hereto; and (c) agree to other changes in this Agreement, including the exhibits

hereto, provided that such changes do not affect such Party's substantive rights under this Agreement or interest in such Party's Adjacent Uplands or Private Beach. Said attorney in fact may deposit amended pages of this Agreement reflecting such additions, deletions or changes with the Escrow Agent. Such additions, deletions or changes shall become an effective part of the Irrevocable Offer upon acceptance thereof in writing by the Attorney General and the County Counsel. Upon such acceptance, the Escrow Agent shall substitute such amended pages for the pages of the Irrevocable Offer which have been amended. Such power of attorney shall become effective when the Irrevocable Offer becomes effective and shall expire when the Irrevocable Offer expires or is accepted by the County and State pursuant to paragraph 8.7. Bertrand E. Cottle shall act in the alternative as such Private Party's attorney in fact whenever Edwin P. Martin is unable to act by reason of being out of Orange County or physically incapacitated. The powers and authority herein granted may be delegated by said attorney in fact to another, in whole or in part, at his discretion; and said attorney in fact is authorized and empowered to substitute another for himself, with full powers in such substitution to act in his stead, as set forth herein, as such Private Party's attorney in fact.

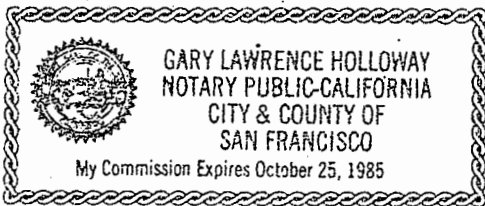
IN WITNESS WHEREOF, each Party hereto has caused
 this Agreement to be executed this 26 day of
January, 1984.

CALIFORNIA COASTAL COMMISSION

State of California
 County of San Francisco

SS.

On this 26th day of January, in the year
1984, before me, Gary Lawrence Holloway, Notary
 Public, personally appeared Michael L. Fisher,
 personally known to me (or proved to me on the basis
 of satisfactory evidence) to be the authorized
 representative of the California Coastal Commission and
 the person whose name is subscribed to this instrument
 and acknowledged that he executed it.
 IN WITNESS WHEREOF I hereunto set my hand and official seal.



Gary Lawrence Holloway
 Notary Public

ATTACHED TO AND MADE A PART OF
1000 STEPS - SOUTH LAGUNA BEACH AGREEMENT

Address:

1807 - 13th Street
Sacramento, CA 95814
JANUARY 24, 1984

STATE LANDS COMMISSION OF THE STATE
OF CALIFORNIA AND STATE OF CALIFORNIA
(State Lands Commission and State)

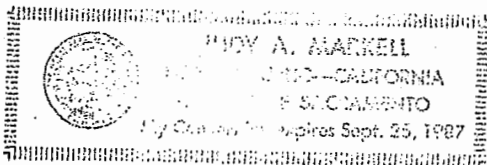
By

Claire T. Dedrick
Claire T. Dedrick, Executive Officer

STATE OF CALIFORNIA)
) ss:
COUNTY OF SACRAMENTO)

On JANUARY 24, 1984, before me, the undersigned a Notary Public in and for the County of Sacramento, State of California, personally appeared CLAIRE T. DEDRICK, known to me to be the Executive Officer of the STATE LANDS COMMISSION, STATE OF CALIFORNIA, and known to me to be the person who executed the within instrument on behalf of said State Commission, and acknowledged to me applicable State law and a resolution of said Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year in this certificate first above written.



Judy A. Markell
Notary Public in and for the County
of Sacramento, State of California

84-044253

GOVERNMENT CODE 27361.7

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary JUDY A. MARKELL

Date Commission Expires 9-25-87

County where bond is filed SACRAMENTO

Place of Execution SANTA ANA, CA Date 1-31-84

Carol E. Fraley, County
Signature (firm name if any) of Orange

IN APPROVAL WHEREOF, I,

GEORGE DEUKMEJIAN,

Governor of the State of California have set my hand and caused the Seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento, this 26th day January in the year of our Lord one thousand nine hundred and eighty-four.

Attest:

George Deukmejian
Governor of State

March Forca Ee
Secretary of State

By Marjorie Neuharber

1000 Steps - South Laguna Beach Agreement
is hereby approved this 23 day of January, 1984.

JOHN K. VAN DE KAMP, Attorney General

By

Robert G. Collins
ROBERT G. COLLINS
Deputy Attorney General



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 7th day of
Sept, 1983.

Myron Wacholder
MYRON WACHOLDER

Marilyn Wacholder
MARILYN WACHOLDER

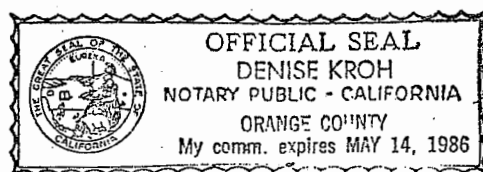
STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On Sept 7, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared MYRON WACHOLDER and
MARILYN WACHOLDER,

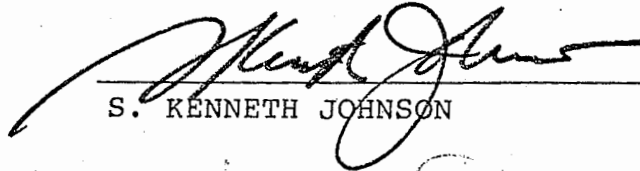
known to me to be the persons whose names are subscribed to
the within instrument and acknowledged that they executed
the same.

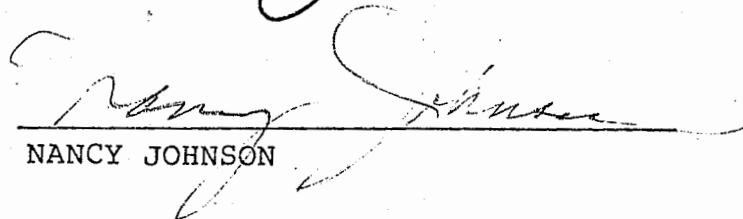
WITNESS my hand and official seal.

Denise Kroh
Notary Public in and for
said County and State



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 31st day of
August, 1983.


S. KENNETH JOHNSON


NANCY JOHNSON

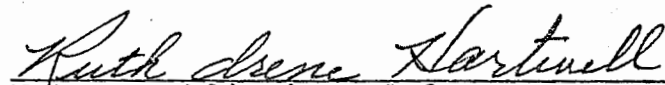
STATE OF CALIFORNIA)
COUNTY OF Los Angeles) ss.

On August 31, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared S. KENNETH JOHNSON and
NANCY JOHNSON,

known to me to be the persons whose names are subscribed to
the within instrument and acknowledged that they executed
the same.

WITNESS my hand and official seal.




Notary Public in and for
said County and State

IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 1st day of

September, 1983.

RUTH K. SMITH, Trustee

Ruth K Smith Trustee

Wendell B Smith, Trustee

WENDELL B. SMITH, Trustee

STATE OF CALIFORNIA)

COUNTY OF Los Angeles)

ss.

On 9-1-83 before me, the

undersigned, a Notary Public in and for said County and
State, personally appeared RUTH K. SMITH and

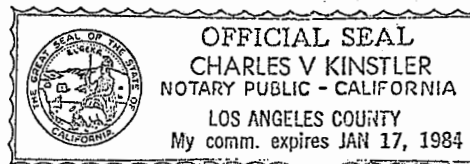
WENDELL B. SMITH, Trustees,

known to me to be the persons whose names are subscribed to
the within instrument and acknowledged that they executed
the same.

WITNESS my hand and official seal.

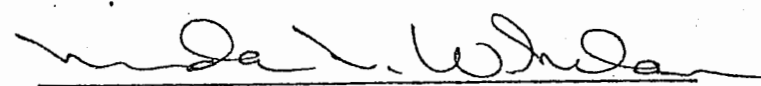
Charles V. Kinstler

Notary Public in and for
said County and State



IN WITNESS WHEREOF, each Party hereto has caused
 this Agreement to be executed this 7th day of
Sept., 1983.

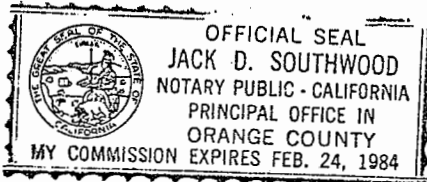

 TIMOTHY S. WHELAN



 LINDA L. WHELAN

STATE OF CALIFORNIA)
) ss.
 COUNTY OF ORANGE)

On SEPT 7 1983 before me, the
 undersigned, a Notary Public in and for said County and
 State, personally appeared TIMOTHY S. WHELAN and
LINDA L. WHELAN,
 known to me to be the persons whose names are subscribed to
 the within instrument and acknowledged that they executed
 the same.

WITNESS my hand and official seal.




 Notary Public in and for
 said County and State

IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 2 day of
Oct, 1983.

Kent L. Combs

KENT L. COMBS

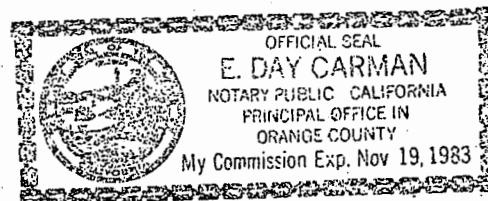
STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On 2 October 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared KENT L. COMBS,
known to me to be the person whose name is subscribed to the
within instrument and acknowledged that he executed the
same.

WITNESS my hand and official seal.

E. Day Carman

Notary Public in and for
said County and State



4-044253

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be executed this 29 day of September, 1983.

POOH, LTD.
A CALIFORNIA CORPORATION

By Kialin Stokesbary
PRESIDENT

By _____

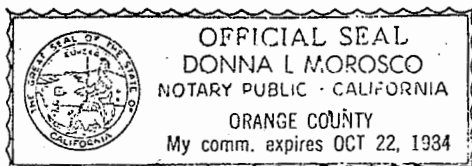
STATE OF CALIFORNIA)
COUNTY OF Orange) SS.

On Sept 30, 1983 before me, the undersigned, a Notary Public in and for said State, personally appeared
Kialin Stokesbary
known to me to be the _____ President, and

known to me to be _____ Secretary
of the corporation that executed the
within Instrument, known to me to be
the persons who executed the within
Instrument on behalf of the corporation
therein named, and acknowledged to me
that such corporation executed the
within Instrument pursuant to its
by-laws or a resolution of its board
of directors.

WITNESS my hand and official seal.

Signature Donna L Morosco



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 30 day of
Sept., 1983.

David L. Stokesbary
DAVID L. STOKESBARY

Kialin Stokesbary
KIALIN STOKESBARY

STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On Sept. 30, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared DAVID L. STOKESBARY and
KIALIN STOKESBARY,

known to me to be the persons whose names are subscribed to
the within instrument and acknowledged that they executed
the same.

WITNESS my hand and official seal.

Donna L. Morosco
Notary Public in and for
said County and State



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 1st day of
SEPTEMBER, 1983.

A. Judson Wray
A. JUDSON WRAY

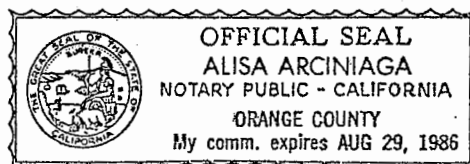
Elizabeth C. Wray
ELIZABETH C. WRAY

STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On Sept. 1st, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared A. JUDSON WRAY and
ELIZABETH C. WRAY, proven to me on the basis of satisfactory evidence,
~~known to me~~ to be the persons whose names are subscribed to
the within instrument and acknowledged that they executed
the same.

WITNESS my hand and official seal.

Alisa Arciniaga
Notary Public in and for
said County and State



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 23 day of
JANUARY, 1984.

Barbara Mac Gillivray
BARBARA MacGILLIVARY

Greg Mac Gillivray
GREG MacGILLIVARY

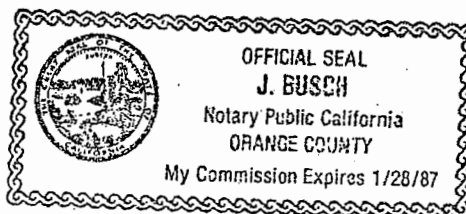
STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On Jan. 23, 1984 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared BARBARA MacGILLIVARY AND
GREG MacGILLIVARY,

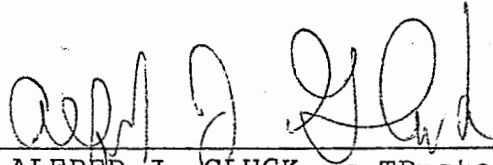
known to me to be the persons whose names are subscribed to
the within instrument and acknowledged that they executed
the same.

WITNESS my hand and official seal.

J. Busch
Notary Public in and for
said County and State



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 22nd day of
August, 1983.

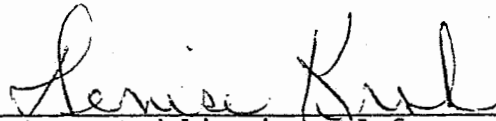


ALFRED J. GLUCK as Trustee Under
Declaration of Trust dated July 11, 1974.

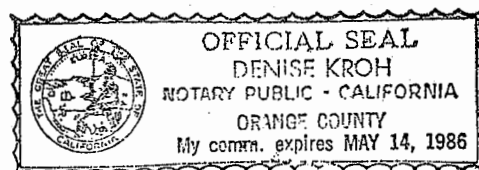
STATE OF CALIFORNIA)
) ss.
COUNTY OF Orange)

On August 22, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared ALFRED J. GLUCK,
known to me to be the person whose name is subscribed to the
within instrument and acknowledged that he executed the
same.

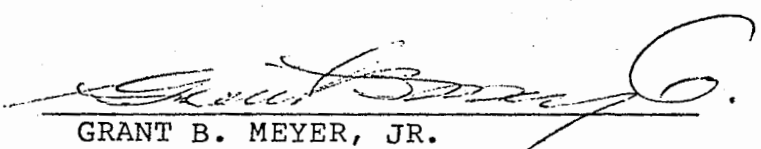
WITNESS my hand and official seal.



Notary Public in and for
said County and State



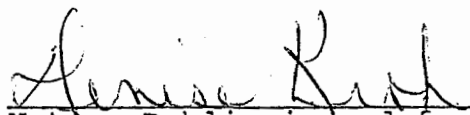
IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 26 day of
AUGUST, 1983.

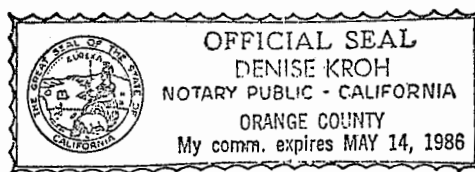

GRANT B. MEYER, JR.

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On August 26, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared GRANT B. MEYER, JR.,
known to me to be the person whose name is subscribed to the
within instrument and acknowledged that he executed the
same.

WITNESS my hand and official seal.


Notary Public in and for
said County and State



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 22 day of
August, 1983.

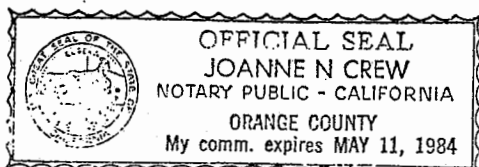
Terry R. Hamilton
TERRY R. HAMILTON

STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On August 22, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared TERRY R. HAMILTON,
known to me to be the person whose name is subscribed to the
within instrument and acknowledged that he executed the
same.

WITNESS my hand and official seal.

Joanne N. Crew
Notary Public in and for
said County and State



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 7th day of
September, 1983.

Victoria Bart
VICTORIA BART

Earl Gary Bart
EARL GARY BART

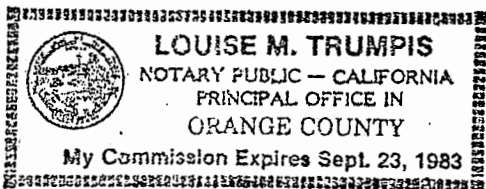
STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On September 7th, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared VICTORIA BART and
EARL GARY BART

known to me to be the persons whose names are subscribed to
the within instrument and acknowledged that they executed
the same.

WITNESS my hand and official seal.

Louise M. Trumpis
Notary Public in and for
said County and State



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 26th day of
August, 1983.

DERELYS S. DePAOLO
DERELYS S. DePAOLO

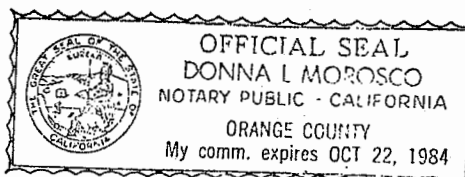
THOMAS DePAOLO
THOMAS DePAOLO

STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On AUGUST 26, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared DERELYS S. DePAOLO and
THOMAS DePAOLO,
known to me to be the persons whose names are subscribed to
the within instrument and acknowledged that they executed
the same.

WITNESS my hand and official seal.

Donna L Morosco
Notary Public in and for
said County and State



IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 31st day of
August, 1983.

Yas: R 21/m

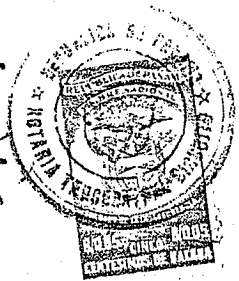
MARIO CASTRELLON
Yo, ALMA MONTENEGRO DE FLETCHER, Notario Público
Tercero del Circuito de Panamá, con Cédula No 8-77-788
CERTIFICO: Que las firmas anteriores son auténticas, pues
han sido reconocidas por los firmantes como suyas.

Panamá, AGO 31 1983

[Signature]
TESTIGO
#19721

[Signature]
TESTIGO
8-100-371

A. M. de FLETCHER
NOTARIO PUBLICO TERCERO



REPUBLIC OF PANAMA
PROVINCE OF PANAMA
CITY OF PANAMA
EMBASSY OF THE UNITED
STATES OF AMERICA

I, Leila S. Belaval, Consul of the
United States of America in the Republic of Panama, duly
commissioned and qualified, do hereby certify that
A. M. de Fletcher
whose true signature and official seal are respectively
subscribed and affixed to the foregoing certificate, was
on the 31st day of August, 1983 the day of the
date thereof,

3rd Notary Public at Panama

Republic of Panama, duly commissioned and qualified to
whose official acts, faith and credit are due.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed the seal of the Embassy at Panama, Republic of
Panama, this 31st day of August, 1983.



Leila S. Belaval,
Consul of the
United States of America

1 STATE OF CALIFORNIA)
2) SS.
3 COUNTY OF ORANGE)
4


5 PATRICIA FITZGERALD, being a State Certified
6 and Official Court Interpreter for the Orange County Superior Court,
7 State of California, deposes and says, that on January 30, 1984,
8 she completed the translation of the enclosed document, to wit:
9 NOTARY STATEMENT OF ALMA MONTENEGRO DE FLETCHER, ON AUGUST 3, 1983,
10 from Spanish into English to the best of her ability and knowledge,
11 and that she believes that said translation is true and correct.

12 I hereby certify under penalty of perjury,
13 that the foregoing is true and correct. Dated and signed on
14 January 31, 1984 at Santa Ana, California.

15
16 
17 PATRICIA FITZGERALD, INTERPRETER
18

19 I hereby certify to the above-mentioned facts.

20
21 
22 JUDGE OF THE SUPERIOR COURT.
23

24
25 
26 CLERK OF THE COURT.
27
28



1 IN WITNESS WHEREOF, each Party hereto has caused
 2 this Agreement to be executed this 31st day of
 3 August, 1983.

4
 5 (ILLEGIBLE SIGNATURE)
 6 MARIO CASTELLON

7 -----I, ALMA MONTENEGRO DE FLETCHER, Third Notary Public of the
 8 District of Panama, with Licence Num. 8-77-788, HEREBY CERTIFY:
 9 That the above signatures are authentic, due to the fact that
 10 they have been recognized by the parties who have signed the
 11 foregoing as theirs.

12 PANAMA, Aug 3, 1983

13) ILLEGIBLE SIGNATURE)

(ILLEGIBLE SIGNATURE)

14 WITNESS

WITNESS

15 (ILLEGIBLE SIGNATURE)

16 A.M. de FLETCHER

THIRD NOTARY PUBLIC.

17 -----TO THE RIGHT A SEAL WITH THE WORDS: REPUBLIC OF PANAMA--

18 THIRD NOTARY PUBLIC OF DISTRICT--A REVENUE STAMP.-----

19 //////////////

////////////////

20 *Daniel Fitzgerald*



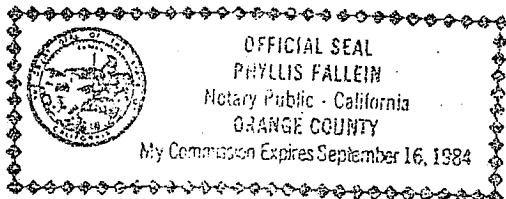
IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 2 day of
September, 1983.

Catherine A. Froman
CATHERINE A. FROMAN

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On SEPTEMBER 2, 1983 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared CATHERINE A. FROMAN,
known to me to be the person whose name is subscribed to the
within instrument and acknowledged that she executed the
same.

WITNESS my hand and official seal.



Phyllis Fallein
Notary Public in and for
said County and State

IN WITNESS WHEREOF, each Party hereto has caused
this Agreement to be executed this 16 day of
JANUARY, 1984.

Russ Harris

Cheryl Harris

STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On January 16, 1984 before me, the
undersigned, a Notary Public in and for said County and
State, personally appeared Russ Harris &
Cheryl Harris,
known to me to be the persons whose names are subscribed to
the within instrument and acknowledged that they executed
the same.

WITNESS my hand and official seal.



Sandra K. Evans
Notary Public in and for
said County and State

IN WITNESS WHEREOF, each Party hereto has caused
 this Agreement to be executed this 23 day of
JANUARY, 1984.

Mac Gillivray
 MacGILLIVRAY-FREEMAN FILMS,
 a partnership

STATE OF CALIFORNIA
 COUNTY OF ORANGE } SS.

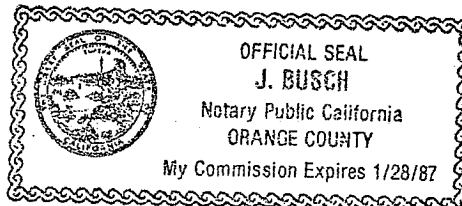
On January 30, 1984,
 before me, the undersigned, a Notary Public in and for said County
 and State, personally appeared
Greg A. Mac Gillivray

_____ known to me
 to be one of the partners of the partnership
 that executed the within instrument, and acknowledged to me that
 such partnership executed the same.

Signature _____



FOR NOTARY SEAL OR STAMP



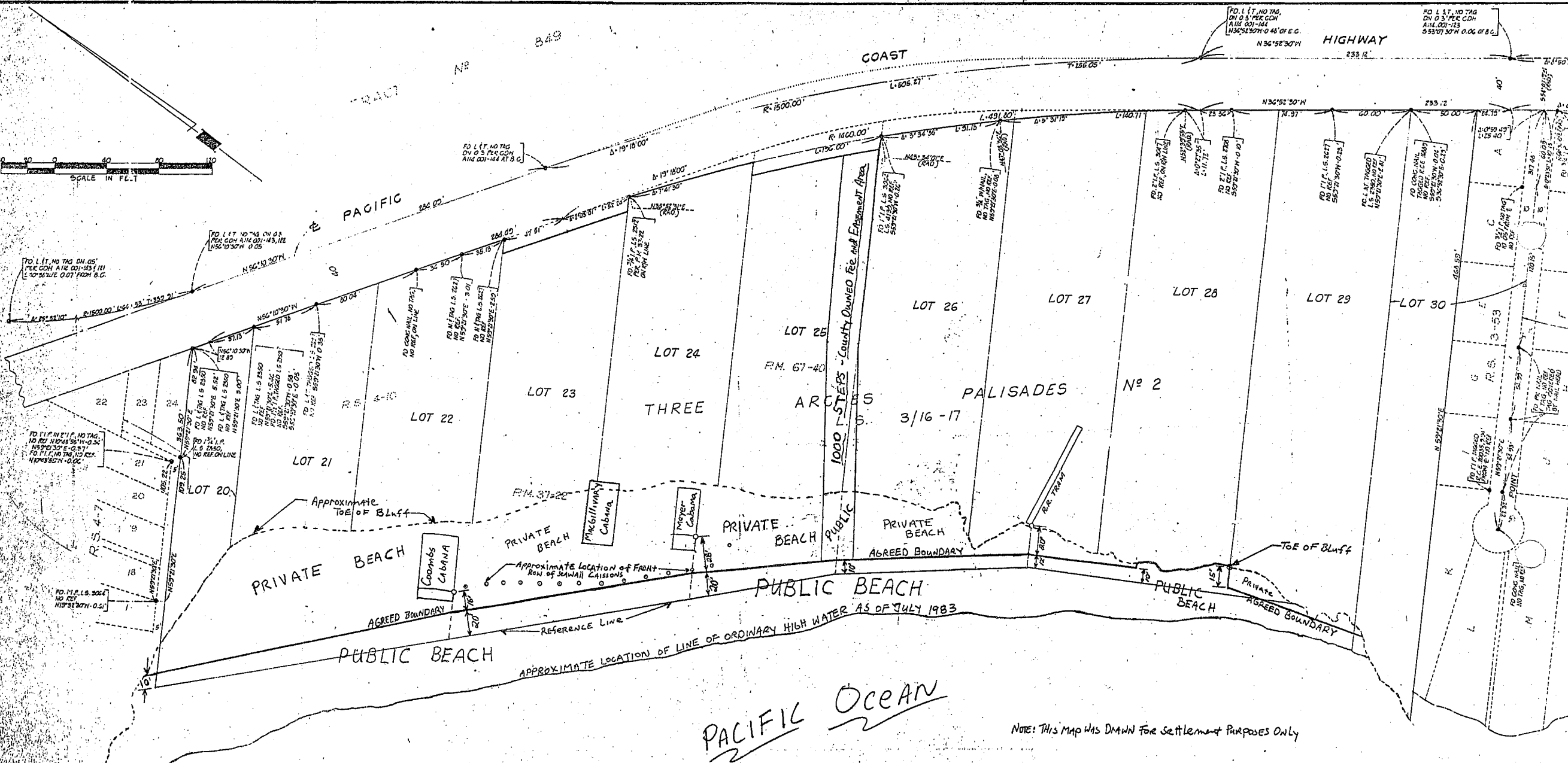
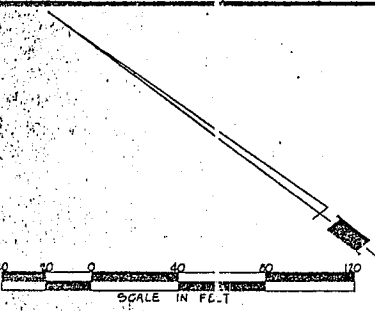


EXHIBIT A - PLAT of 1000 STEPS
SOUTH LAGUNA BEACH AGREEMENT

NOTE: THIS MAP WAS DRAWN FOR SETTLEMENT PURPOSES ONLY

EXHIBIT B

1000 STEPS - SOUTH LAGUNA BEACH AGREEMENT

PUBLIC BEACH LAND DESCRIPTION

A parcel of land in the County of Orange, State of California, described as follows:

All those lands, as shown on Exhibit A hereof, lying landward of the Ordinary High Water Line and seaward of the Agreed Boundary.

1000 STEPS - SOUTH LAGUNA BEACH AGREEMENT

PRIVATE BEACH LAND DESCRIPTION

A parcel of land in the County of Orange, State of California, described as follows:

All those lands, as shown on Exhibit A hereof, lying seaward of the toe of the bluff and landward of the Agreed Boundary, excepting those portions of said lands lying immediately seaward of the 1000 Steps County Owned Fee and Easement Area.

EXHIBIT C

EXHIBIT D

DESCRIPTION FOR BOUNDARY AGREEMENT LINE

Beginning at a point on the southeasterly line of Parcel 3, in the county of Orange, state of California, as shown on a map recorded in book 67, page 40 of Parcel Maps in the office of the County Recorder of said county, said point being distant S. $59^{\circ}21'30''$ W., 8.10 feet along said southeasterly line from the most easterly corner of said Parcel 3; thence S. $53^{\circ}27'33''$ W., 295.16 feet to the TRUE POINT OF BEGINNING, said point being hereinafter referred to as Point A; thence N. $41^{\circ}05'32''$ W., 106.34 feet; thence N. $45^{\circ}24'24''$ W., 191.26 feet; thence N. $48^{\circ}18'55''$ W., 253.11 feet more or less to its intersection with the toe of the bluff; and thence beginning at said Point A, S. $38^{\circ}03'44''$ E., 152.62 feet; thence S. $41^{\circ}28'13''$ E., 66.80 feet to the southeasterly line of the land described in a deed recorded in book 13508, page 931 of Official Records in the office of said County Recorder, said point being hereinafter referred to as Point B; thence Northeasterly along said southeasterly line to its intersection with the toe of the bluff; thence in a general southeasterly direction along the meander line of said toe of bluff to the southeasterly line of Lot 28 as shown on a map filed in book 3, pages 16 and 17 of Record of Surveys in the office of said County Recorder; thence Southwesterly along said southeasterly line of said Lot 28 to a line that bears S. $32^{\circ}50'55''$ E., 66.34 feet from said Point B; thence S. $6^{\circ}24'22''$ E., 160.53 feet more or less to its intersection with the toe of the bluff; thence in a general southeasterly direction along the meander line of said toe of bluff to the southeasterly line of Lot 31, as shown on said map of Record of Surveys; thence Southwesterly along said southeasterly line to a line that is parallel with and southwesterly 15.00 feet from said toe of bluff; thence in a general southeasterly direction along said parallel line to the northerly line of the land described in book 13869, page 489 of said Official Records; thence easterly along said northerly line to said toe of bluff; thence in a general southeasterly direction along said toe of bluff to the southerly line of the land described in Parcel 1 of a deed recorded in book 14333, page 1799 of said Official Records; thence Westerly along said southerly line to a line that is parallel with and westerly 15.00 feet from said toe of bluff; thence in a general southerly direction along said parallel line to the southerly line of Lot 40 of said Record of Surveys.

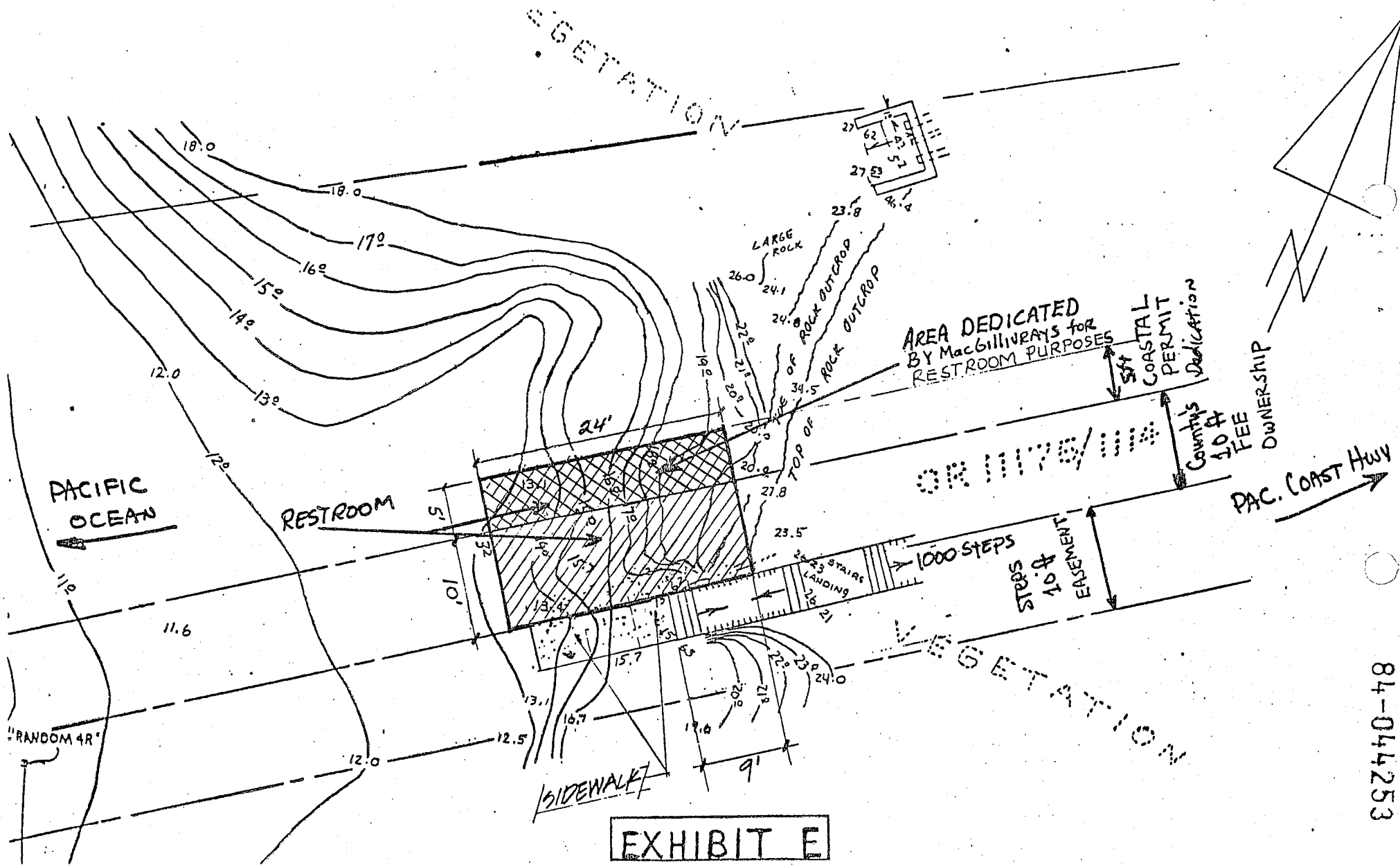


EXHIBIT E

84-044253

EXHIBIT "F"

1000 STEPS - SOUTH LAGUNA BEACH AGREEMENT

FURTHER ESCROW INSTRUCTIONS

The Escrow Agent is hereby authorized to accept only such further instructions and provisions relating to its duties and responsibilities which are consistent with the terms and conditions of this 1000 Steps - South Laguna Beach Agreement as particular Parties to this Agreement or Other Parties may desire to provide the Escrow Agent. Said agent shall attach such further instructions and provisions to this Exhibit "F". Thereupon, such instructions and provisions shall become a part hereof and shall be binding as between the Escrow Agent and the Parties or Other Parties so providing them and any other persons or entities which indicate in writing their consent to be bound thereby. The Escrow Agent, prior to attaching such further instructions and provisions, may require the providing party to agree to additionally compensate the Escrow Agent for any additional services which the Escrow Agent is hereby called upon to furnish. The Escrow Agent may delay attaching such further instructions and provisions to this Exhibit "F" until after this Agreement has been recorded. Should the Parties or Other Parties furnishing such additional instructions or provisions, or any other persons or entities agreeing to be bound thereby, or the Escrow Agent, fail to perform any provisions of this Exhibit "F", said failure shall in no way affect the consideration supporting this Agreement or the

EXHIBIT F

validity or binding nature thereof. Nothing herein,
however, shall affect or diminish the rights of any Party or
Other Party at law or in equity, or both.

RECEIVED JUNE 10 1984

James P. ... EXHIBIT F

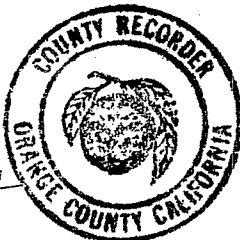
JAMES P. HARRIS, JR.

RECEIVED JUNE 10 1984
FBI - NEW YORK
FBI - NEW YORK
FBI - NEW YORK

JUN 10 1984

CERTIFY THAT, IF THIS SEAL IS AFFIXED
IN PURPLE INK, THIS IS A TRUE AND
CORRECT COPY OF THE PERMANENT RECORD
FILED OR RECORDED IN THIS OFFICE.

DATE 2-1-84 FEE Exempt



COUNTY RECORDER

Lee A. Branch

ORANGE COUNTY, STATE OF CALIF.